FRAMEWORK FOR ANNUAL REPORT
OF STATE CHILDREN'S HEALTH INSURANCE PLANS
UNDER TITLE XXI OF THE SOCIAL SECURITY ACT

State/Territory: **Pennsylvania**
(Name of State/Territory)

The following Annual Report is submitted in compliance with Title XXI of the Social Security Act (Section 2108(a)).

M. DIANE KOKEN
Insurance Commissioner

SCHIP Program Name (s) **Children's Health Insurance Program**

SCHIP Program Type
Medicaid SCHIP Expansion Only
X **Separate SCHIP Program Only**
Combination of the above

Reporting Period **Federal Fiscal Year 2000 (10/1/99-9/30/00)**

Contact Person/Title **Patricia H. Stromberg, Executive Director**
Children's Health Insurance Program
Address
1300 Strawberry Square
Harrisburg, PA 17120
Phone (717) 705-6830
Fax (717) 705-1643
Email pstrombe@state.pa.us

Submission Date **January 1, 2001**

SECTION 1. DESCRIPTION OF PROGRAM CHANGES AND PROGRESS

This section reports program changes and progress during Federal Fiscal Year 2000 (October 1, 1999 to September 30, 2000).

1.1 Please explain changes Pennsylvania has made in its CHIP program since September 30, 1999 in the following areas and explain the reason(s) the changes were implemented.

1. *Program eligibility* **NC**

2. *Enrollment process* **NC**

3. *Presumptive eligibility* **NC**

4. *Continuous eligibility* **NC**

5. *Outreach/marketing campaigns*

New Media Messages

Since October 1998, paid advertising on television, radio and in the print media has been used as a vehicle for outreach to increase awareness of CHIP. The very first television message featured children wearing colorful blue and gold CHIP hats who told viewers, "I'm covered" and encouraging a call to the toll-free Helpline (1-800-986-KIDS).

Since then, the "I'm covered" media campaign has been expanded to include four new television advertisements. Two of these were launched during National Child Health Month in October 1999. All four feature the now well-recognized CHIP hat and depict real-life situations faced by working families. The messages emphasize the importance of health insurance for children and how CHIP can help. The message conveyed to the viewers include:

- Families may encounter unplanned medical emergency situations. CHIP provides "peace of mind".
- Families may need to make a choice between paying their bills for living expenses or paying for health care coverage. CHIP coverage resolves this dilemma.
- Families need health care coverage for adolescents as well as younger children. CHIP coverage is for children of all ages.

School Outreach

In celebration of Child Health Month in October 1999, Governor Tom Ridge launched an outreach effort targeting Pennsylvania's educators. In a personal letter to school administrators in the state's 501 public school districts and myriad of private schools, Governor Ridge urged that information about CHIP be shared with every school-age child in Pennsylvania. Administrators were provided with sample brochures and posters, a CHIP hat and an order form for securing free information to share with students and their parents.

First Lady Michele Ridge also lent her support by visiting schools and unveiling a public transit bus advertising CHIP. Wrapped in bright blue vinyl with the CHIP name and toll free phone number in yellow, the bus features children from the CHIP television campaign looking out of the windows, sporting CHIP hats and telling everyone who passes by, "I'm covered".

Interagency Work Continues

The Commonwealth continues it's commitment to providing access to quality health care coverage and to improving the health status of children. To achieve this goal, in May 1998, the Commonwealth brought together a unique interagency consortium dedicated to increasing public awareness of and enrollment in both CHIP and Medicaid. Senior Management staff and others in the Insurance Department and the Departments of Public Welfare and Health meet together twice monthly to do strategic planning, to monitor progress and to problem solve.

The first meeting of the month is directed toward coordination of program policy, monitoring the multi-agency social marketing contract, and the administration of a jointly funded statewide toll-free Helpline. The second meeting of the month, attended by an extended group of government and non-government representatives, is dedicated exclusively to outreach, planning and implementation. The extended group consists of members from the child advocacy community (e.g. the Pennsylvania Partnership for Children, the Pennsylvania Health Law Project and Philadelphia Citizens for Children and Youth); other government agencies (e.g. the Rural Development Council and the Department of Education); and health affiliated organizations (e.g. Hospital Association of Pennsylvania).

Newsletter

In an effort to establish a stronger communication link with other child serving organizations statewide, the Interagency Workgroup developed a quarterly newsletter titled "Reaching Out". The first issue was released in the Spring of 2000. See *Attachment A* for sample copy of the "Reaching Out" newsletter.

Minigrants

Another product of the Interagency Workgroup is the issuance of minigrants to fund local community based outreach projects to assist families in applying for CHIP and Medicaid. Staff from each Department worked together to prepare a Request For Proposal (RFP) and to select the winning proposals.

On July 13, 2000 a formal announcement was made of the RFP. Over $800,000 was made available by the Pennsylvania Insurance Department and the Department of Public Welfare to empower local organizations to reach out to Pennsylvania's families. A total of 173 applications were received and from those, twenty were selected during the month of September.

The twenty selected projects represent geographic and cultural diversity; each with their own unique approach to outreach. Samples of projects selected are:

- A broad based partnership in Braddock (Allegheny County), which includes a housing authority, an early childhood initiative and faith-based groups. The initiative will target hospital emergency rooms, small businesses and grandparents and will use grocery store certificates as an enrollment incentive.
- A faith-based group in Upper Darby (Delaware County) that will use the parish nurse to address the multicultural needs of the community. Schools, day camps and thrift shops will serve as outreach sites.
- A community check-up center located in a housing project in Harrisburg (Dauphin County) will serve residents and others in the surrounding area. Fifty percent of the targeted population is Latino.
- A mobile family center in rural Potter County will focus on local advertising and meet the transportation needs of families.

Contracts for the minigrants will run through June 30, 2001; with the option for renewal for up to three additional years. Periodic reports from the grantees and site visits will help us to learn more about the impact of these locally based efforts. See *Attachment B* for a complete listing and description of the minigrant projects.

*"Covering Kids"**

Valuable lessons continue to be learned through pilot outreach projects overseen by the Pennsylvania Partnerships for Children (Partnership) in the Covering Kids initiative funded by the Robert Wood Johnson (RWJ) Foundation. The Partnership shepherds projects in five

geographic sites, each testing a slightly different model of outreach.

In July 2000, eight focus groups were conducted for the Partnership. The study, funded by the RWJ, convened parents in Philadelphia; Allegheny County; York County; and Fayette, Washington and Greene counties. At each site, separate focus groups were conducted with parents whose children were enrolled in Medicaid or CHIP and those whose children appeared eligible but were not enrolled. The effort encompassed several goals:

- To better understand why parents of uninsured children do not enroll their children in one of the available government-sponsored health care coverage programs.
- To begin developing messages, strategies and tactics that might motivate these parents to enroll their children.
- To explore the motivations of parents whose children are enrolled in CHIP and Medicaid and to apply lessons learned from them to non-enrolled parents.
- To examine regional and demographic differences that might influence outreach and enrollment activities.

The focus groups clearly indicated that there is no one single message that will work to reach all eligible but not yet enrolled families. The target audience of families is diverse by income, by region, by experience with the programs and the enrollment system and by attitudes towards health insurance. A variety of barriers and attitudes must be addressed to make further enrollment gains.

The focus groups identified barriers that keep parents from enrolling their children in coverage:

- Lack of information or misinformation. Parents need correct information.
- Structural barriers. Parents need help with applying.
- Bad past experiences. Past rejection discourages re-application.
- Pride/Stigma. Stigma is a tangible barrier.
- Episodic care seems adequate. Perception of need is muted.
- Parents and children between insurance. Some families need more, other have only temporary needs.

Most, if not all, of the enrollment barriers were reported in all of the focus groups, but significant regional differences appeared. Rural families reported program stigma and privacy concerns more often than urban families. Families in urban areas reported process stigma issues and difficulties with County Assistance Offices more often. However, some rural families reported that their County Assistance Office caseworker was very helpful in obtaining children's health coverage. Philadelphia families had more knowledge of available programs than did families in the other three sites. Urban families reported using free clinics or emergency rooms for episodic care more often than rural families.

CHIP families reported far fewer application-process problems than Medicaid families. CHIP families also had far fewer program stigma concerns than families in Medicaid. Families perceive CHIP as distinct from welfare but continue to connect Medicaid to welfare.

(*Extracted from "Covering Kids" Pennsylvania Newsletter and printed with permission of the Pennsylvania Partnership for Children).

6. *Eligibility determination process* **NC**

7. *Eligibility redetermination process*

In February 2000, a revised procedure for verifying income at the time of renewal was implemented. The objective of the new requirement is to increase the retention rate of enrollees at the time of renewal. Income verification requirements had been identified as being one possible barrier to retention. The procedure previously in place required that the parent or guardian submit documentation for a full month's income. This requirement was relaxed to allow for the acceptance of any documentation that reasonably represents the circumstances of the family and that enables the projection of household income expected to be received during the next twelve-month enrollment period.

Data available for the period preceding and after implementation of the changed policy point to its positive impact. Prior to implementation, an average of 7% of all cases losing eligibility at time of renewal were terminated because of failure to verify income. In May 2000, the average had been reduced to 3.33%; in December to 1.65%

8. *Benefit structure*

Effective September 1, 2000, maternity benefits were added to the CHIP benefit package. The corresponding State Plan amendment was approved by HCFA on December 18, 2000.

9. *Cost-sharing policies* **NC**

10. *Crowd-out policies* **NC**

11. *Delivery system*

"While the CHIP program is a predominately managed care program, seven of 67 covered counties were either fee-for-service or PPO's due to provider network issues (although these counties did not have a managed care arrangement, the state reimbursed the contractors in these areas by means of a capitated payment, the same as the managed care counties). As of

September 2000, the number of non-managed care counties was reduced to five."

12. *Coordination with other programs (especially private insurance and Medicaid)* **NC**

13. *Screen and enroll process* **NC**

14. *Application*

In February 1999, a process dubbed "Any Form is a Good Form" was adopted to facilitate enrollment in both CHIP and Medicaid. Application materials for children determined ineligible for CHIP because family income is within the Medicaid range are automatically sent to the appropriate County Assistance Office for a determination of eligibility for Medicaid. Application materials for children determined ineligible for Medicaid because family income is within the CHIP range are sent to a CHIP insurer for a determination of eligibility for CHIP.

After implementation of the "Any Form" procedure, the Insurance Department and the Department of Public Welfare, CHIP contractors and representatives of the advocacy community worked together to identify the minimum set of data elements necessary for completion of an application for either CHIP or Medicaid. This resulted in the creation of new application documents for both programs that fulfill the Title XXI "screen and enroll" requirements and facilitate the enrollment of children into either program.

Although Medicaid and each CHIP contractor have unique application documents, the common data elements allow for the expeditious determination of eligibility for either program. Distribution and use of the new applications was implemented in July 2000. See *Attachment C* for a sample copy of a revised CHIP application for one CHIP contractor and the revised Medicaid application.

It should be noted that the text and graphics of the form were assessed by focus groups and tested for literacy levels. Both the CHIP and Medicaid applications are available in English and Spanish.

15. *Other* **NC**

1.2 Please report how much progress has been made during FFY 2000 in reducing the number of uncovered, low-income children.

1. *Please report the changes that have occurred to the number or rate of uninsured, low-income children in Pennsylvania during FFY 2000. Describe the data source and method used to derive this information.*

   In January 2000, estimates of the number of uncovered, low-income children were revised. These estimates were derived from a rolling average of Current Population Survey (CPS) data from 1996, 1997 and 1998. The total number was estimated to be 257,654. The distribution of those uninsured children were:

   - Eligible but not enrolled in Medicaid 125,609
   - Eligible but not enrolled in CHIP 72,695
     - ✓ Federally Subsidized CHIP 54,172
     - ✓ State-only Funded CHIP 18,523
   - Not eligible for any government program 59,350

   By September 2000, the number of children eligible but not enrolled in the federally subsidized CHIP was reduced from 54,172 to 43,305. This reduction in the number of uninsured children corresponds to the increase in CHIP enrollment since January 2000.

   Enrollment in Federally subsidized CHIP increased from 76,739 in September 1999 to 93,234 in September 2000. This change in enrollment represents a 20.4% increase.

   Note: Combined enrollment for Federally subsidized CHIP and State-only funded CHIP increased from 82,963 in September 1999 to 99,884 in September 2000.

2. *How many children have been enrolled in Medicaid as a result of Pennsylvania's CHIP outreach activities and enrollment simplification? Describe the data source and method used to derive this information.*

   Since the adoption of the "Any Form is a Good Form" procedure, the Insurance Department and the Department of Public Welfare continue to fulfill the screen and enrollment requirements for CHIP and Medicaid. Recent data reveals that approximately 17% of CHIP applications received by CHIP are determined to be within the Medicaid income levels and are forwarded to the appropriate County Assistance Office for a final eligibility determination. Similarly, an average of 15% of applications received by CHIP contractors come through referrals from

County Assistance Offices.

The number of children enrolled in Medicaid has increased from 691,612 in September 1999 to 712,754 in September 2000 (an increase of 21,142 children). While an exact figure is not presently available, it is reasonable to assume that this increase is due, in some significant measure, to CHIP outreach activities and enrollment simplification.

3. *Please present any other evidence of progress toward reducing the number of uninsured low-income children in Pennsylvania.*

The combined enrollment in Medicaid and CHIP increased from 774,575 in September 1999 to 812,638 in September 2000 (date includes enrollment in both components of CHIP). This combined effort has reduced the estimated total number of uninsured, low-income children by 38,063. See *Attachment D* for enrollment data for CHIP and Medicaid for the period July 1999 to November 2000.

4. *Has Pennsylvania changed its baseline of uncovered, low-income children from the number reported in your March 2000 Evaluation?*

__X__ No, skip to 1.3
BASELINE NUMBER WILL BE REVISED IN JANUARY 2001, USING CPS DATA FROM 1997, 1998 AND 1999.

____ Yes, what is the new baseline?

1.3 Table 1.3 shows what progress has been made during FFY 2000 toward achieving Pennsylvania's strategic objectives and performance goals (as specified in the State Plan).

Table 1.3

(1) Strategic Objectives (as specified in Title XXI State Plan and listed in your March Evaluation)	(2) Performance Goals for each Strategic Objective	(3) Performance Measures and Progress (Specify data sources, methodology, time period, etc.)
OBJECTIVES RELATED TO REDUCING THE NUMBER OF UNINSURED CHILDREN		
Increase in overall access to coverage relative to estimate of number of uninsured children in Pennsylvania	Increase state government participation in and administration of outreach efforts and include public service announcements, inter-agency mutual referrals and revision and distribution of CHIP information	Data Sources: CHIP enrollment data Methodology: Enrollment growth from May 1998 through September 2000. Enrollment in May 1998 = 54,080 Enrollment in September 2000 = 93,234 Growth in Enrollment = 39,154 Formula used: $\frac{\text{(9/00 Enrollment – 5/98 Enrollment)}}{\text{5/98 Enrollment}}$ Computation: $\frac{93{,}234 - 54{,}080}{54{,}080} = 72.4\%$ Numerator: 39,154 increased enrollment from 5/98 through 9/00 Denominator: 54,080 enrollment in May 1998 Progress Summary: In 29 months, CHIP enrollment increased approximately 72.4%

Table 1.3		
(1) Strategic Objectives (as specified in Title XXI State Plan and listed in your March Evaluation)	(2) Performance Goals for each Strategic Objective	(3) Performance Measures and Progress (Specify data sources, methodology, time period, etc.)
Increase access for coverage to children in rural areas and northeast Pennsylvania	Seek to establish a working relationship with the Center for Rural Pennsylvania, a not-for-profit organization dedicated to identifying, studying and offering solutions to public policy issues of concern to rural areas of the Commonwealth, to identify barriers to access in central and northeastern Pennsylvania	Data Sources: CHIP enrollment data Methodology: Enrollment growth from May 1998 through September 2000 in 19 rural counties in northeastern and central Pennsylvania (Bedford, Clinton, Columbia, Juniata, Lebanon, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Schuylkill, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne, Wyoming) Enrollment in May 1998 = 4,217 Enrollment in September 2000 = 7,938 Formula used: $\frac{\text{(9/00 Enrollment – 5/98 Enrollment)}}{\text{5/98 Enrollment}}$ Computation: $\frac{(7{,}938 - 4{,}217)}{4{,}217} = 88.2\%$ Numerator: 3,721 increased enrollment from 5/98 through 9/00 Denominator: 4,217 enrollment in May 1998 Progress Summary: In 29 months, CHIP enrollment in Pennsylvania's northeastern and central rural counties increased approximately 88.2%. This surpasses the statewide growth of 72.4% during the same time period.
OBJECTIVES RELATED TO SCHIP ENROLLMENT		
Increase public awareness of CHIP and other state programs aimed at providing health	Increase state government participation in and administration of outreach efforts to include public	Data Sources: Benchmark and Follow-up Telephone Surveys In October 1998 and April/May 1999, the Pennsylvania Insurance Department asked PPO&S to conduct telephone surveys to determine the impact that television advertising outreach

Table 1.3		
(1) Strategic Objectives (as specified in Title XXI State Plan and listed in your March Evaluation)	(2) Performance Goals for each Strategic Objective	(3) Performance Measures and Progress (Specify data sources, methodology, time period, etc.)
care assistance.	service announcements, inter-agency mutual referrals and revision, and distribution of CHIP information.	campaigns had on increasing awareness of CHIP. The Benchmark and Follow-up Telephone Surveys were described in detail in the March 1999 Pennsylvania CHIP evaluation. No additional surveys have been conducted in FFY 2000. However, additional surveys are planned for completion during FFY 2001. Methodology: **NC** Progress Summary: Prior to the implementation of the media campaign 41% of the population had an awareness of CHIP. Approximately 6 months after the media campaign began, public awareness of CHIP increased to 67%. Coincidentally, public awareness of Medicaid increased from 87% to 90%. In 29 months, CHIP enrollment increased approximately 72.4%.
OBJECTIVES RELATED TO INCREASING MEDICAID ENROLLMENT		
N/A	N/A	Data Sources: Methodology: Progress Summary:
OBJECTIVES RELATED TO INCREASING ACCESS TO CARE (USUAL SOURCE OF CARE, UNMET NEED)		
Increase access to coverage for racial, ethnic, minority and special needs children eligible for CHIP	Require Grantees contractually to increase outreach focus on community based agencies in predominantly minority, non-English speaking areas	Data Sources: N/A Methodology: Progress Summary: Although data is not currently available by race or ethnicity, overall enrollment increased approximately 72.4% from 5/98 through 9/00. It is reasonable to conclude, based on this rate of growth that access to coverage for racial, ethnic, minority and special needs children has increased. A new data system is under development that will provide this information in the future.

Table 1.3		
(1) Strategic Objectives (as specified in Title XXI State Plan and listed in your March Evaluation)	(2) Performance Goals for each Strategic Objective	(3) Performance Measures and Progress (Specify data sources, methodology, time period, etc.)
OBJECTIVES RELATED TO USE OF PREVENTIVE CARE (IMMUNIZATIONS, WELL-CHILD CARE)		
Increase the percentage of children receiving age appropriate well child care, immunizations and preventive health services	Ensure by explicit references in contract that Program Grantees provide to CHIP quality improvement plans which will include the process by which Grantees will monitor and quantify quality improvement	Data Sources: N/A Methodology: Progress Summary: A Quality Management Evaluation has just been undertaken. All contractors are required to verify their compliance with quality standards itemized per our RFP/contract. The standards being evaluated are in keeping with NCQA standards regarding overall structure and processing which MCO's must adhere to for accreditation purposes. The evaluation will also gauge whether CHIP contractors are adhering to PA Department of Health standards for MCOs as outlined by statute (Act 68). Responses from our contractors are due by December 15. Completion of the review of contractor reports will be completed by the end of February 2001. In addition, CHIP contractors are in the process of conducting CHIP-specific HEDIS reviews. At this point in time one contractor has completed its review. That review revealed that not only are CHIP children receiving appropriate levels of care, but they are in some areas fairing better than children in the contractor's commercial lines of business. See *Attachment E* for a copy of report "HEDIS 2000, Keystone Health Plan West's CHIP results for measurement year 1999".

OTHER OBJECTIVES		
		Data Sources:

		Methodology: Progress Summary:

1.4 If any performance goals have not been met, indicate the barriers or constraints to meeting them. NA

1.5 Discuss Pennsylvania's progress in addressing any specific issues that your state agreed to assess in the State plan that are not included as strategic objectives. NA

1.6 Discuss future performance measurement activities, including a projection of when additional data are likely to be available.

Pennsylvania CHIP will be implementing a new automated eligibility determination and data system during FFY 2001. The system will substantially increase the program's capacity for measuring program performance through substantially expanded and varied statistical data.

1.7 Please attach any studies, analyses or other documents addressing outreach, enrollment, access, quality, utilization, costs, satisfaction, or other aspects of Pennsylvania's CHIP program's performance. Please list attachments here.

Attachment	Document Title
A	**"Reaching Out" Newsletter**
B	**Minigrant Projects**
C	**Revised Applications for CHIP and Medicaid**
D	**Enrollment Data for CHIP and Medicaid**
E	**Highmark's HEDIS 2000 Report**
F	**Helpline Call Report**
G	**"Focus Group Research on Recently Unenrolled CHIP Children" Report**
H	**NCQA Accreditation Status Data**

SECTION 2. AREAS OF SPECIAL INTEREST

This section has been designed to allow Pennsylvania to address topics of current interest to stakeholders, including; states, federal officials, and child advocates.

2.1 Family coverage: NA

2.2 Employer-sponsored insurance buy-in: NA

2.3 Crowd-out:

1. *How do you define crowd-out in Pennsylvania's CHIP program?*

   Pennsylvania defers to the description of crowd-out contemplated in Sections 2102(b)(3)(B) & (C) of Title XXI. No further definition of the term is contained in either State law or regulation. The CHIP procedures manual provides that a child who is enrolled in Medicaid or other creditable health insurance is ineligible for CHIP. Stand alone dental and/or vision care coverage is not considered to be creditable health insurance.

2. *How do you monitor and measure whether crowd-out is occurring?*

   A number of steps have been taken to guard against crowd-out. Questions regarding insurance coverage along with matches against Medicaid and private insurance files help to ensure that only uninsured children are enrolled in CHIP. Examples of data available regarding this issue are:

   - An average of 5% of applications rejected during the reporting period were found ineligible because the child had private insurance.
   - An average of 36% of applications rejected during the reporting period were found ineligible because family income was within the Medicaid range.
   - Less than 5% of applicants were found to have been enrolled in the commercial product of a CHIP insurer when a match was completed.
   - An average of 9% of cases terminated at the time of renewal, lost eligibility because the child had acquired private insurance.
   - An average of 5% of cases terminated at the time of renewal, lost eligibility because the child was determined to be eligible for Medicaid.

   It should also be noted that Pennsylvania continues to enjoy one of the nation's highest rates of insured persons. CPS data for 1999 indicates 88.4% of all Pennsylvanians under the age of 65 have health insurance. Employers provide 71.3% of coverage as compared to the national average of 63.4%. The stability of the percentage of private coverage and the constancy of employer provided coverage continue to support the hypothesis that no significant degree of "crowd-out" has occurred as a result of the expansion of publicly-funded health care programs.

3, What have been the results of your analyses? Please summarize and attach any available reports or other documentation.

See response to items 1 and 2 above.

4. Which anti-crowd-out policies have been most effective in discouraging the substitution of public coverage for private coverage in Pennsylvania's CHIP program? Describe the data source and method used to derive this information.

See response to items 1 and 2 above.

2.4 Outreach

1. What activities have you found most effective in reaching low-income, uninsured children? How have you measured effectiveness?

Television and radio advertising continues to be the most effective means of reaching low-income, uninsured children. The impact of advertising can best be assessed by the relationship between the placement of ads and corresponding calls to the toll free Helpline.

During the reporting period, approximately 93,000 calls were made to the Helpline. Over 83% of those calls were inquiries relating to health insurance coverage. Approximately two thirds of calls came from families whose income was estimated to be within the CHIP eligibility range; one third were potentially eligible for Medicaid. It is also interesting to note the rather obvious point that the number of calls received daily increases dramatically when media ads are being run (less than 200 per day when ads are not being run; over 500 per day when they are). See *Attachment F* for graphic of call volume and distribution.

A more thorough analysis of the relationships between advertising, calls to the Helpline and actual new enrollment is presently underway.

2. Have any of the outreach activities been more successful in reaching certain populations (e.g., minorities, immigrants, and children living in rural areas)? How have you measured effectiveness?

The media has not specifically targeted any one population although the television, radio, and print advertisements are available in Spanish as well as English. The actors/actresses in the television commercials are also representative and include minority populations.

3. Which methods best reached which populations? How have you measured effectiveness?

See response to item 2.4(1) above.

2.5 Retention:

1. *What steps is Pennsylvania taking to ensure that eligible children stay enrolled in Medicaid and CHIP?*

   The Department has established simple procedures that contractors must follow in re-enrolling children on an annual basis. The only factors that are to be reviewed at time of renewal are:

   - Family income
   - The age of the Child
   - The number of family members (additions or deletions)
   - Medicaid eligibility or enrollment
   - Private health insurance coverage

   The only factor that must be verified at time of renewal is income. As noted in Section 1.1(7) above, income verification requirements at time of renewal have recently been relaxed.

   Contractors are required to send a notice of renewal a minimum of 60 calendar days prior to the expiration of the twelve-month coverage period. The practice of most contractors is to send a first notice ninety calendar days prior to the expiration date of coverage. Second and third notices (including "urgent" postcards), and phone calls are also made as reminders that the process must be completed.

2. *What special measures are being taken to reenroll children in Pennsylvania's CHIP who disenroll, but are still eligible?*

   _X_ Follow-up by caseworkers/outreach workers
   _X_ Renewal reminder notices to all families
   ___ Targeted mailing to selected populations, specify population _____
   _X_ Information campaigns
   _X_ Simplification of re-enrollment process, please describe.
   PLEASE SEE RESPONSE TO SECTION 1.1.7, ELIGIBILITY REDETERMINATION PROCESS ___X_ Surveys or focus groups with disenrollees to learn more about reasons for disenrollment, please describe. _____
   PLEASE SEE *ATTACHMENT G*, FOR A REPORT ENTITLED "FOCUS GROUP RESEARCH ON RECENTLY UNENROLLED CHIP CHILDREN".___
   ___ Other, please explain_____

3. *Are the same measures being used in Medicaid as well? If not, please describe the differences.*

NA

4. *Which measures have you found to be most effective at ensuring that eligible children stay enrolled?*

   The relaxation of verification requirements is showing promise as a means of assuring re-enrollment.

5. *What do you know about insurance coverage of those who disenroll or do not reenroll in Pennsylvania's CHIP (e.g., how many obtain other public or private coverage, how many remain uninsured?) Describe the data source and method used to derive this information.*

   NA

2.6 Coordination between Pennsylvania's CHIP and Medicaid:

1. *Do you use common application and redetermination procedures (e.g., the same verification and interview requirements) for Medicaid and Pennsylvania CHIP? Please explain.*

   See response to Section 1.1.14, Application.

2. *Explain how children are transferred between Medicaid and Pennsylvania's CHIP when a child's eligibility status changes.*

   Effective December 15, 2000, CHIP and Medicaid expanded the "Any Form" process to include CHIP renewals and Medicaid redeterminations of eligibility. Renewal materials for children determined ineligible for CHIP because family income is within the Medicaid range are automatically sent to the appropriate County Assistance Office for a determination of eligibility for Medicaid. Redetermination of eligibility materials for children determined ineligible for Medicaid because family income is within the CHIP range are sent to a CHIP contractor for a determination of eligibility for CHIP.

3. *Are the same delivery systems (including provider networks) used in Medicaid and Pennsylvania's CHIP? Please explain.*

   No. The Pennsylvania Insurance Department selected seven insurers to provide CHIP coverage to children. Each of the seven enroll their own provider networks which are the same as for their commercial lines. In fact, the identification card that is issued to CHIP enrollees is identical to the one

issued to commercial subscribers and does not identify that the child is enrolled in CHIP. However, the Request For Proposal encouraged proposers to recruit providers in its network that participate in Medicaid. Two CHIP contractors also have contracts with the Department of Public Welfare to serve individuals who are enrolled in Medicaid Program.

2.7 Cost Sharing: NA

2.8 Assessment and Monitoring of Quality of Care:

1. *What information is currently available on the quality of care received by Pennsylvania's CHIP enrollees? Please summarize results.*

   As a condition of licensure, Managed Care Organizations (MCO's) in Pennsylvania are required by the Department of Health (DOH) to undergo review by the National Committee for Quality Assurance (NCQA). DOH not only receives and monitors NCQA findings, but also attend the on-site reviews. Because CHIP enrollees utilize the same services and access the same provider networks as commercial subscribers, the CHIP program relies upon NCQA evaluation and accreditation status as evidence of compliance with program goals and objectives concerning quality management and improvement.

   CHIP contracts with seven MCO's (hereinafter referred to as contractors) for provision of medical services. Five of the contractors have full accreditation (full accreditation is for three years); one has been accredited for one year and will undergo another accreditation review next year to obtain full accreditation status.

   The seventh contractor (new to the program) has just undergone a pre-assessment review (PAR) by NCQA. This contractor is only five years old and is new to the accreditation process. They will be undergoing a full-scale accreditation review by NCQA by the year 2002. The results of the PAR review, however, indicate that they are well within the range of acceptable performance as required by our contract. See *Attachment H* for NCQA accreditation status data for all contractors.

   In addition to evaluating contractors based on their overall NCQA accreditation, a process has been initiated to conduct a review of Health Employer Data Information Set (HEDIS) data comparing the CHIP population with the commercial subscribers of the insurer. The two newest insurers are being excluded from the assessment because they have only been participating in the CHIP program since September 1999 and their enrollments are not sufficient in size to conduct a valid study. It should be noted that up until this point they have been a Medicaid only insurer and do not have commercial subscribers to do a comparative study.

2. *What processes are you using to monitor and assess quality of care received by Pennsylvania's*

CHIP enrollees, particularly with respect to well-baby care, well-child care, immunizations, mental health, substance abuse counseling and treatment and dental and vision care?

CHIP contractors are required to provide quarterly aggregate encounter data for primary care, specialist, dental, vision and mental health services. Contractors are also required to provide quarterly data on complaints and grievances and provider networks. Annual reports are required for hospitalization and pharmaceutical usage.

3. *What plans does Pennsylvania's CHIP program have for future monitoring/assessment of quality of care received by Pennsylvania CHIP enrollees? When will data be available?*

A collaboration with NCQA and HCFA is presently underway. Technical assistance is being provided by HCFA to conduct a general assessment of the CHIP program and the data collection capabilities of each CHIP contractor. This assessment will be completed during the next year. The purpose of the collaboration with NCQA is to help better define:

- Specific utilization and encounter data that should be received from contractors on an on-going basis.
- Specific health indices that should be focused on.
- Internal monitoring tools that should be developed or refined.
- Policy changes, if any, that need to be made.

SECTION 3. SUCCESSES AND BARRIERS

This section has been designed to allow Pennsylvania to report on successes in program design, planning, and implementation of the State plan, to identify barriers to program development and implementation, and to describe the approach to overcoming these barriers.

3.1 Please highlight successes and barriers you encountered during FFY 2000 in the following areas. Please report the approaches used to overcome barriers. Be as detailed and specific as possible.

1. Eligibility

Eligibility policies and procedures were not changed during FFY 2000. However, a major accomplishment was achieved this year. A CHIP Procedures Manual has been developed, published and distributed to CHIP staff, contractors, HCFA, County Assistance Offices, advocates, and other interested parties. Previously, policies and procedures were contained in several different documents, such as an abbreviated CHIP Enrollment Manual, contracts, and CHIP Transmittals.

The purpose of the CHIP Procedures Manual is to provide contractors with a comprehensive document that will provide guidance on the "how to's" of the CHIP program. The manual provides contractors with the information that is needed in clear, simple language. The manual serves as the baseline document for determining eligibility for children who apply for CHIP services. It also establishes standardized procedures and processes to be used uniformly so as to ensure that there is continuity among all contractors participating in CHIP. In the future, the CHIP Procedures Manual will be available electronically to the contractors and they will have access to questions and answers online.

2. *Outreach*

Outreach continues to be an evolving process. Previously reported studies regarding the success of initial CHIP media advertisements revealed that advertising increased public awareness of CHIP by a significant factor.

3. *Enrollment*

In September 2000 enrollment in the federally subsidized program in Pennsylvania increased to 93,234 as compared to 76,639 in September 1999. This represents an increase of 21.7%. Since the inception of the federal program in May 1998, CHIP enrollment has increased 72.4% (from 54,080).

The September 2000 enrollment figure is 68% of the estimated universe of potential enrollees. As of December 2000 enrollment in the federally subsidized program has increased to 97,289, or 71% of the estimated universe.

4. *Retention/disenrollment*

The CHIP renewal process remains simple with only income verification submission necessary to renew the coverage for another twelve-month period. Notices to families from the CHIP contractors to start the renewal process continue to be sent no fewer than 60 days in advance of the date that the eligibility will expire.

In spite of the simplicity of the renewal process, a significant number of children continue to lose coverage each month because of the failure to respond to the renewal notice. In an effort to address the issue, several methods of increasing retention have been tried:

- Further simplification of the renewal process utilizing an alternative income verification requirement was implemented in February 2000. (See Section 2.5, Retention.)
- Follow-up phone calls by CHIP contractors.
- Utilizing attractive post cards as reminders of the renewals.

Following the implementation of the alternative income verification requirement for renewals, the percentage of terminations due to failure to verify income has decreased to 1.65% in December 2000.

5. *Benefit structure*

Effective September 1, 2000, maternity benefits were added to the CHIP benefit package

6. *Cost-sharing* **NA**

7. *Delivery systems*

As noted in Section 1.1.11, Delivery System, seven of the covered 67 counties in the program were non-managed care due to provider network issues. The number of non-managed care counties has now been reduced to five. This is in keeping with the program's goal to expand managed care to all 67 counties.

8. *Coordination with other programs*

Please refer to Section 1.1.5, Interagency Work Continues.

9. *Crowd-out*

See Section 2.3, Crowd-out.

10. *Other* **NA**

SECTION 4. PROGRAM FINANCING

This section has been designed to collect program costs and anticipated expenditures.

4.1 Please complete Table 4.1 to provide your budget for FFY 2000, your current fiscal year budget, and FFY 2002 projected budget. Please describe in narrative any details of your planned use of funds. *(Note: Federal fiscal year 2000 starts 10/1/99 and ends 9/30/00).*

	Federal Fiscal Year 2000	Federal Fiscal Year 2001	Federal Fiscal Year 2002
Benefit Costs			
Insurance payments			
Managed care	105,398,472	134,041,000	185,723,000
per member/per month rate @ # of eligibles			
Fee for Service			
Total Benefit Costs	**105,398,472**	**134,041,000**	**185,723,000**
(Offsetting beneficiary cost sharing payments)			
Net Benefit Costs	**105,398,472**	**134,041,000**	**185,723,000**
Administration Costs			
Personnel			
General administration			
Contractors/Brokers (e.g., enrollment contractors)			
Claims Processing			
Outreach/marketing costs			
Other			
Total Administration Costs	4,417,255	7,097,000	7,310,000
10% Administrative Cost Ceiling	11,710,941	14,893,444	20,635,889
Federal Share (multiplied by enh-FMAP rate)	75,039,871	95,310,491	130,355,185
State Share	34,775,856	45,827,509	62,677,815
TOTAL PROGRAM COSTS	109,815,726	141,138,000	193,033,000

Administrative cost increases are expected in FFY 2001 and 2002 due to additional personnel, increases in outreach expenditures, and completion of a centralized computer system for application processing and storage of applicant data. Higher benefit costs are expected due to increased enrollment and rising insurance premiums.

4.2 Please identify the total State expenditures for family coverage during Federal Fiscal Year 2000. NA

4.3 What were the non-Federal sources of funds spent on Pennsylvania's CHIP program during FFY 2000?

__X__ State appropriations
_____ County/local funds
_____ Employer contributions
_____ Foundation grants
_____ Private donations (such as United Way, sponsorship)
__X__ Other (specify) **A $0.03 PER PACK CIGARETTE TAX.**_____

A. Do you anticipate any changes in the sources of the non-Federal share of plan expenditures? **No**

SECTION 5: SCHIP PROGRAM AT-A-GLANCE

This section has been designed to give the reader of your annual report some context and a quick glimpse of Pennsylvania's CHIP program.

5.1 To provide a summary at-a-glance of Pennsylvania's CHIP program characteristics, please provide the following information. If you do not have a particular policy in-place and would like to comment why, please do. (Please report on initial application process/rules)

Table 5.1	Medicaid Expansion SCHIP program	Separate SCHIP program
Program Name		CHIP
Provides presumptive eligibility for children	_____No _____Yes, for whom and how long?	__X__No _____Yes, for whom and how long?
Provides retroactive eligibility	_____No _____Yes, for whom and how long?	__X__No _____Yes, for whom and how long?
Makes eligibility determination	_____State Medicaid eligibility staff _____Contractor _____Community-based organizations _____Insurance agents _____MCO staff _____Other *(specify)* _____	_____State Medicaid eligibility staff __X__Contractor _____Community-based organizations _____Insurance agents _____MCO staff _____Other *(specify)* _____
Average length of stay on program	Specify months _____	Specify months __N/A
Has joint application for Medicaid and SCHIP	_____No _____Yes	_____No __X__Yes See Section 2.6
Has a mail-in application	_____No _____Yes	_____No __X__Yes
Can apply for program over phone	_____No _____Yes	__X__No _____Yes
Can apply for program over internet	_____No _____Yes	__X__No _____Yes
Requires face-to-face interview during initial application	_____No _____Yes	__X__No _____Yes

Table 5.1	Medicaid Expansion SCHIP program	Separate SCHIP program
Requires child to be uninsured for a minimum amount of time prior to enrollment	_____No _____Yes, specify number of months _____ What exemptions do you provide?	__X__No _____Yes, specify number of months _____ What exemptions do you provide?
Provides period of continuous coverage <u>regardless of income changes</u>	_____No _____ Yes, specify number of months _____ Explain circumstances when a child would lose eligibility during the time period	_____No __X__Yes, specify number of months <u>12</u> Explain circumstances when a child would lose eligibility during the time period: • Move out-of-state • Becomes 19 years of age • Obtains private insurance or enrolls in Medicaid • Death of child • Voluntary request to terminate coverage.
Imposes premiums or enrollment fees	_____No _____Yes, how much? _____ Who Can Pay? ___ Employer ___ Family ___ Absent parent ___ Private donations/sponsorship ___ Other (specify) _____	__X__No _____Yes, how much? _____ Who Can Pay? ___ Employer ___ Family ___ Absent parent ___ Private donations/sponsorship ___ Other (specify) _____
Imposes copayments or coinsurance	_____No _____Yes	__X__No _____Yes
Provides preprinted redetermination process	_____ No _____ Yes, we send out form to family with their information precompleted and: ___ ask for a signed confirmation that information is still correct ___ do not request response unless income or other circumstances have changed	__X__No _____ Yes, we send out form to family with their information and: ___ ask for a signed confirmation that information is still correct ___ do not request response unless income or other circumstances have changed

5.2 Please explain how the redetermination process differs from the initial application process.

The renewal process differs from the initial application process in a few respects. Rather than the family initiating the transaction, the CHIP contractor with whom the child is enrolled sends a renewal notice (and a reminder if necessary) to inform the parent/caretaker that renewal is due. At renewal, the only required verification that must be submitted is current income verification although other eligibility factors are reviewed. Also, as described in detail in Section 1.1.7, the income verification requirements have been made less burdensome at renewal. Any income verification that is received at renewal may be used to determine eligibility as long as there is sufficient information to be reasonably able to project the family's annual income.

SECTION 6: INCOME ELIGIBILITY

This section is designed to capture income eligibility information for Pennsylvania's CHIP program.

6.1 As of September 30, 2000, what was the income standard or threshold, as a percentage of the Federal poverty level, for countable income for each group? If the threshold varies by the child's age (or date of birth), then report each threshold for each age group separately. Please report the threshold after application of income disregards (see Note below).

Title XIX Child Poverty-related Groups or Section 1931-whichever category is higher	185% of FPL for children under age 12 months 133% of FPL for children aged 1-5 100% of FPL for children aged 6-17 (children born after 9/30/83)
Medicaid SCHIP Expansion	N/A% of FPL for children aged N/A% of FPL for children aged N/A% of FPL for children aged
State-Designed SCHIP Program	200% of FPL for children aged under 19

Note: The income standards expressed above reflects the threshold before income disregards are applied due to the variation that occurs when applying income disregards on a case-by-case basis.

6.2 As of September 30, 2000, what types and *amounts* of disregards and deductions does each program use to arrive at total countable income?
Please indicate the amount of disregard or deduction used when determining eligibility for each program. If not applicable, enter "NA."

Do rules differ for applicants and recipients (or between initial enrollment and redetermination) ____ Yes _X__ No
If yes, please report rules for applicants (initial enrollment).

Table 6.2

	Title XIX Child Poverty-related Groups	Medicaid SCHIP Expansion	State-designed SCHIP Program
Earnings	$	$	$90/month
Self-employment expenses	$	$	$90/mo plus business expenses
Alimony payments Received	$	$	$ N/A
Paid	$	$	$ N/A
Child support payments Received	$	$	$ N/A
Paid	$	$	$ N/A
Child care expenses	$	$	$200/mo maximum for children under age 2 $175/mo maximum for children age 2 and older and for disabled adults
Medical care expenses	$	$	$ N/A
Gifts	$	$	$ N/A
Other types of disregards/deductions (specify)	$	$	$ N/A

6.3 For each program, do you use an asset test?

Title XIX Poverty-related Groups __X No ____Yes, specify countable or allowable level of asset test_____
Medicaid SCHIP Expansion program ____No ____Yes, specify countable or allowable level of asset test_____
State-Designed SCHIP program _X _No ____Yes, specify countable or allowable level of asset test_____
Other SCHIP program_____ ____No ____Yes, specify countable or allowable level of asset test_____

6.4 Have any of the eligibility rules changed since September 30, 2000? ___ Yes _X__ No

SECTION 7: FUTURE PROGRAM CHANGES

This section has been designed to allow you to share recent or anticipated changes in Pennsylvania's CHIP program.

7.1 What changes have you made or are planning to make in Pennsylvania's CHIP program during FFY 2001 (10/1/00 through 9/30/01)? Please comment on why the changes are planned.

1. *Family coverage* **NA**

2. *Employer sponsored insurance buy-in* **NA**

3. *1115 waiver* **NA**

4. *Eligibility including presumptive and continuous eligibility* **NA**

5. *Outreach*

   In February 2001, the Insurance Department and the Department of Public Welfare (DPW) will launch a pilot project in cooperation with the Philadelphia School District and the Delaware Valley Hospital Association. The one-year pilot will test whether waiving income verification requirements increases the likelihood of successful enrollment in CHIP or Medicaid. The Philadelphia schools were chosen as the pilot site because the entire district has been declared eligible for Title I funds. There is a high percentage of low-income families and many uninsured children are likely to be eligible for either CHIP or Medicaid.

   An evaluation of the pilot will provide documentation of the benefit or risk of waiving income verification requirements and may serve as a catalyst for a change in overall policy for both programs.

6. *Enrollment/redetermination process*

   During 2001, the Insurance Department and the Department of Public Welfare will work together to refine policy requirements and procedures for redetermination or renewal. Such issues as common data elements for revised renewal forms, verification requirements, and computer system support will be addressed. The goal of the effort will be to increase retention rates in both programs.

7. *Contracting* **NA**

8. *Other* **NA**